



TENNESSEE REGULATORY AUTHORITY

460 James Robertson Parkway
Nashville, TN 37243-0505
615.741.2904

FOR IMMEDIATE RELEASE

September 7, 2006

Contact:

Jessica L. Johnson
615.741.2904 x 233

Jessica.johnson@state.tn.us

IRS Announces Standard for Telephone Tax Refunds

Taxpayers eligible for refund for repealed excise tax

NASHVILLE, TENN. – The Internal Revenue Service (IRS) announced last week the standard amounts that most long-distance customers can use to figure their telephone tax refund. Ranging from \$30 to \$60, these amounts will enable millions of taxpayers to request the telephone tax refund without having to retrieve old phone bills.

According to the IRS, anyone who paid the long-distance telephone tax will get the refund on their 2006 federal income tax return. This includes individuals, businesses and nonprofit organizations.

On May 25, 2006, the United States Treasury Department announced its concession of the legal dispute over the 3% federal excise tax on long-distance telephone service and that the IRS would issue refunds of the tax on long-distance service for the past three years.

The federal excise tax was initially imposed on Americans to fund the Spanish-American War, which ended December 10, 1898. In addition to ending the collection of the tax entirely, Treasury Department Secretary John Snow called on Congress to repeal the tax in its entirety.

“We applaud the treasury department’s decision and are confident that this process will be efficacious for all our consumers,” said TRA Chairman Sara Kyle.

Details on requesting the telephone tax refund will be included in all 2006 tax return materials and on the IRS Website at www.irs.gov.

The mission of the TRA is to promote the public interest by balancing the interests of utility consumers and providers. For more information on the TRA, visit online at www.state.tn.us/tra.

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